

**Form ADV Part 3 – Client Relationship Summary****Item 1: Introduction**

Pendleton Financial LLC is an investment adviser registered with the Securities and Exchange Commission offering advisory accounts and services. Brokerage and investment advisory services and fees differ, and it is important that you understand the differences. This document gives you a summary of the types of services and fees we offer. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for free, simple tools to research firms and financial professionals, as well as educational materials about broker-dealers, investment advisers, and investing.

**Item 2: Relationships and Services**

**Services:** Our firm primarily offers the following investment advisory services to retail clients: investment management (we help define your objectives, create an investment strategy designed to help achieve your objectives, select suitable investments, put the plan into action, and monitor the progress); financial planning (we assess your financial situation and provide advice to meet your goals); selection of other advisers (under certain circumstances we may select a third-party adviser for you to use).

**Monitoring:** Our team continuously monitors the portfolios and securities in your accounts, and we maintain ongoing communication with you. We also provide the opportunity to meet with you at least once a year, or more frequently if desired, based on your specific requirements.

**Investment Authority:** Our firm offers both discretionary advisory services (where our firm makes the decision regarding the purchase or sale of investments) as well as non-discretionary services (where the retail investor makes the ultimate decision). You have the option to impose reasonable limitations on the types of investments to be used in your portfolio. Our engagement with you will remain in effect until you inform us in writing otherwise.

**Investment Offerings:** We limit the types of investments that are recommended since not every type of investment vehicle is needed to create an appropriate portfolio. Our primary focus is on providing advice and constructing portfolios using equities, fixed income, exchange traded funds, mutual funds, and cash investments.

**Account Minimums and Other Requirements:**

Our firm does not have a minimum account size, however Wealth Management clients are subject to a \$1,250 minimum quarterly fee and Emerging Wealth clients are subject to a \$600 quarterly fee. Please also see our Form ADV Part 2A ("[Brochure](#)"), specifically Items 4 & 7.

*Conversation Starter – Ask your financial professional:*

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

**Item 3: Fees, Costs, Conflicts, and Standard of Conduct****What Fees Will I Pay?**

Our fees vary depending on the services you receive. Additionally, the amount of assets in your account affects our advisory fee; the more assets you have in your advisory account, the more you will pay us and thus we have an incentive to increase those assets in order to increase our fee. Our fixed fee arrangements are based on the amount of work we expect to perform for you, so material changes in that amount of work will affect the advisory fee we quote you. Asset-based investment management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in advance. Asset-based pension consulting fees are withdrawn directly from the client's accounts with client's written authorization on a monthly or quarterly basis. Fees are paid in advance. Fixed pension consulting fees are paid monthly or quarterly in advance. The fee for financial planning service is paid quarterly in advance. Fees for selection of SEI Investments as third-party adviser are withdrawn directly from the client's accounts with client's written authorization. Fees are paid quarterly in advance. You pay

our fees even if you do not have any transactions and the advisory fee paid to us generally does not vary based on the type of investments selected. Please also see Items 4, 5, 6, 7 & 8 of our [Brochure](#).

Some investments (e.g., mutual funds, variable annuities, etc.) impose additional fees (e.g., transactional fees and product-level fees) that reduce the value of your investment over time. The same goes for any additional fees you pay to a custodian. Additionally, you may pay transaction fees, if applicable, when we buy or sell an investment for your account. **You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.** Please also see our [Brochure](#) for additional details.

*Conversation Starter – Ask your financial professional:*

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment adviser (and at all other times), we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:

- For AUM fees, the more assets you have in your advisory account, the more you will pay us and thus we have an incentive to increase those assets in order to increase our fee.
- For fixed fees, the more work we expect to perform for you, the higher our fee would be and thus we have an incentive for you to agree to have us complete more work for you.
- Our financial professionals can receive commissions from insurance products and real estate and therefore have an incentive to recommend products or assets that provide them or us additional compensation over those that do not.

*Conversation Starter – Ask your financial professional:*

- *How might your conflicts of interest affect me, and how will you address them?*

**How do your financial professionals make money?**

Primarily, we and our financial professionals receive cash compensation from the advisory services we provide to you because of the advisory fees we receive from you. This compensation may vary based on different factors, such as those listed above in this Item. Our financial professionals also have the ability to receive commissions from clients and therefore have an incentive to recommend products that provide them or us with additional compensation over those that do not. Please also see Item 10 of our [Brochure](#) for additional details.

Our financial professionals are compensated through a combination of salary and bonus. Salary is tied to the amount of client assets that the professional manages and services. Bonuses are discretionary and reflect the overall success of the firm and the individual.

#### **Item 4: Disciplinary History**

**Do you or your financial professionals have legal or disciplinary history?**

No, we do not have legal and disciplinary events. Visit <https://www.investor.gov/> for a free, simple search tool to research us and our financial professionals.

*Conversation Starter – Ask your financial professional:*

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

#### **Item 5: Additional Information**

For additional information on our advisory services, see our Brochure available at <https://adviserinfo.sec.gov/firm/summary/325303> and any individual brochure supplement your representative provides. If you have any questions, need additional information, or want another copy of this Client Relationship Summary, then please contact us at 919-781-4167.

*Conversation Starter – Ask your financial professional:*

- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?*
- *Who can I talk to if I have concerns about how this person is treating me?*